

ARTICLE APPEARED
ON PAGE **37**EDITOR & PUBLISHER
19 October 1985

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U.S. judge rules Soviet paper libeled American businessman

A Los Angeles federal judge has issued a preliminary ruling that a Palo Alto businessman was libeled last year by the Soviet newspaper *Izvestia*, which branded him a spy.

But whether the plaintiff, Raphael Gregorian, can collect damages is another matter. His attorney, however, said he is going after the newspaper for the \$300 million sought in the suit.

Gregorian had carried on a multi-million dollar medical supply business with Russia before he was ordered out of the country in November 1984.

Previously, *Izvestia*, an official government paper, had accused Gregorian of selling defective medical equipment to the Soviets and also charged that he masqueraded as a businessman while operating on behalf of U.S. intelligence organizations.

According to the newspaper article, Gregorian used international trade fairs in Moscow to invite officials to his hotel room to pump them for information he passed on to the American government.

Gregorian, who was born in Russia, said the accusations virtually ruined his business, not only in the Soviet

Union but worldwide. He has vehemently denied that he ever was a spy.

U.S. District Judge David V. Kenyon has asked for additional information on how widely the *Izvestia* article was circulated before issuing a final ruling.

Gregorian's attorney, Gerald Kroll, said he expects the decision to be in his client's favor but conceded that getting any money out of *Izvestia* won't be easy.

Neither *Izvestia* nor the Soviet government has responded to the suit and officials were "on vacation" and unavailable when he went to Moscow to seek a settlement in February, Kroll said.

But Kroll said he would pursue every means possible to collect damages, of which about \$30 million are in general damages and the rest in punitive damages.

The lawyer expressed doubt that Judge Kenyon would approve the punitive damages.

"*Izvestia* has offices in the U.S.," Kroll stated, "Seizing a few typewriters won't help much but it's a start."

A bigger target, Kroll said, is Amtorg, the huge Soviet trade organization with offices in New York.

Also, according to Kroll, about \$70

million in Russian assets were frozen in the U.S. after the Soviets annexed Estonia, Latvia and Lithuania in 1940.

The attorney cited the Foreign Sovereign Immunity Act of 1976, which empowers a litigant to attach Soviet assets in the U.S. to satisfy a judgment.

"It allows us to sue for things that are commercial in nature but not political in nature," he explained.

Judge Kenyon ruled that *Izvestia* "published a libel damaging" Gregorian and that the Russians owe him about \$300,000 for medical equipment that was delivered prior to his ouster.

However, the judge said the Soviets were entitled to cancel their trade agreement with Gregorian.